

## Message Text

LIMITED OFFICIAL USE

PAGE 01 KIGALI 00467 082006Z

62

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 AGR-05 IO-10 SP-02 AID-05 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

LAB-04 SIL-01 L-03 H-02 PA-01 PRS-01 /096 W

----- 003712

R 081430Z AUG 75

FM AMEMBASSY KIGALI

TO SECSTATE WASHDC 3616

LIMITED OFFICIAL USE KIGALI 467

E.O. 11652: N/A

TAGS: EFIN EIND EINV RW

SUBJECT: RWANDA - FOREIGN INVESTMENT CLIMATE

REF: STATE 165596

1. RWANDA'S SMALL INTERNAL MARKET, LOW PER CAPITA INCOME, LCAK OF INFRASTRUCTURE AND SUBSISTENCE AGRICULTURE LIMIT PROSPECTS FOR US PRIVATE INVESTMENT. ON THE OTHER HAND, RWANDA OFFERS SEVERAL ADVANTAGES TO POTENTIAL INVESTORS: A RESPECT FOR MODERATION, A DIGNIFIED ATTITUDE TOWARD WESTERNERS, A COMPACT COUNTRY, A PREFERENCE FOR WESTERN GOODS AND SERVICES, AND A RELATIVELY OPEN ECONOMY AND EXCHANGE SYSTEM. IN ADDITION, THE GOVERNMENT OF THE SECOND REPUBLIC (ESTABLISHED JULY 5, 1973) IS FOCUSING ON ECONOMIC DEVELOPMENT AND HAS PUBLICLY STATED THAT IT FAVORS PRIVATE FOREIGN INVESTMENT. THE POSITIVE PROOF OF THIS POLICY WAS ESTABLISHED WHEN AN AMERICAN INVESTOR RECENTLY RECEIVED APPROVAL UNDER FAVORABLE CONDITIONS FOR AN INVESTMENT IN A TEA FACTORY.

TO BE SUCCESSFUL, POTENTIAL INVESTORS MUST DEMONSTRATE THAT THEIR PROJECT WILL BENEFIT THE RWANDAN ECONOMY IN TERMS OF EXPORTS, IMPORT SUBSTITUTION OR EMPLOYMENT AND BE OTHERWISE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KIGALI 00467 082006Z

COMPATIBLE WITH THE COUNTRY'S DEVELOPMENT POLICY. A STRONG

PREFERENCE EXISTS FOR JOINT VENTURES WHICH INVOLVE SUBSTANTIAL BUT NOT NECESSARILY CONTROLLING RWANDAN GOVERNMENT PARTICIPATION. A REVISION OF THE CURRENT OUTDATED INVESTMENT CODE IS UNDERWAY. IN THE INTERIM, INVESTMENT NEGOTIATIONS ARE HANDLED ON AN INDIVIDUAL BASIS. FINANCING AND GUARANTEES ARE AVAILABLE FOR ELIGIBLE INVESTORS FROM IFC AND OPIC. AREAS OF POTENTIAL INVESTOR INTEREST INCLUDE TOURISM (HOTELS, LODGES AND RELATED RECREATIONAL SERVICES), PROCESSING OF PLANTATION CROPS (TEA AND PYRETHRUM) AND MINING (WOLFRAM AND METHANE GAS). THE TOURISM POTENTIAL IS BASED UPON A PLEASANT CLIMATE WITH TWO UNDEVELOPED NATIONAL PARKS AND THE CLEAR WATERS OF THE RIFT LAKE KIVU. TEA AND PYRETHRUM PRODUCTION ARE EXPANDING MORE RAPIDLY THAN CURRENT FACILITIES CAN HANDLE. WOLFRAM DEPOSITS ARE IN NEED OF TECHNOLOGY AND CAPITAL INVESTMENT. THE UNDP AND PRIVATE EUROPEAN CONSORTIA ARE STUDYING THE LONG-RECOGNIZED METHANE GAS DEPOSITS SUSPENDED IN LAKE KIVU. THE UNDP ASSISTED BY US SATELLITE TECHNOLOGY IS COMPLETING AN EXTENSIVE MINERALS SURVEY OF RWANDA EXPECTED TO BE COMPLETED IN 1975.

INVESTMENT STATISTICS FOR RWANDA ARE SPARSE. TOTAL FOREIGN PRIVATE INVESTMENT IS PROBABLY LESS THAN \$20 MILLION OF WHICH LESS THAN \$1 MILLION IS OF AMERICAN ORIGIN (BANKING, TEA PROCESSING AND PETROLEUM PRODUCTS DISTRIBUTION). THE BULK OF PRIVATE FOREIGN INVESTMENT IS FROM BELGIUM. THERE IS NO KNOWN RWANDAN INVESTMENT IN THE UNITED STATES.

2. DECLASSIFY UPON RECEIPT. FRITTS

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT CLIMATE, ECONOMIC CONDITIONS, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** johnsorg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975KIGALI00467  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750274-1043  
**From:** KIGALI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750870/aaaacjzb.tel  
**Line Count:** 89  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 165596  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** johnsorg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 27 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <27 AUG 2003 by MartinML>; APPROVED <15 DEC 2003 by johnsorg>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RWANDA - FOREIGN INVESTMENT CLIMATE  
**TAGS:** EFIN, EIND, EINV, RW  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006